



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

ADOPTED

BOARD OF COMMISSIONERS
HOUSING AUTHORITY

April 19, 2011

#1-H APRIL 19, 2011

The Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**INSTALLATION OF TRANSFORMERS, ELECTRICAL SUPPLY CABLES, AND METERS BY
SOUTHERN CALIFORNIA EDISON COMPANY AT THE NUEVA MARAVILLA HOUSING
DEVELOPMENT
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends approval for Southern California Edison Company, as a sole source provider, to install transformers, electrical supply cables and meters at the Nueva Maravilla housing development, located at 4919 Cesar E. Chavez Avenue in unincorporated East Los Angeles.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the selection of Southern California Edison Company as the sole source provider to complete the installation of new electrical transformers, cables and meters at the Nueva Maravilla housing development in unincorporated East Los Angeles.
2. Authorize the Executive Director or his designee to prepare and execute all documents required to complete the work described above, using \$501,173 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD).
3. Authorize the Executive Director or his designee to amend all documents required to increase the amount of compensation by up to \$50,117 for unforeseen project costs, using CFP funds.
4. Find that the approval of electrical improvements by Southern California Edison Company at the Nueva Maravilla housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the

potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve Southern California Edison Company, as a sole source provider, to provide new transformers, supply cables and meters at the Nueva Maravilla housing development in unincorporated East Los Angeles County.

The Southern California Edison Company is the sole electric utility provider available in unincorporated East Los Angeles.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority will fund the improvements with up to \$501,173 in CFP Funds included in the Housing Authority's approved Fiscal Year 2010-2011 budget. The Housing Authority's engineer has performed a cost analysis and determined the price to be within industry standards. A 10% contingency, in the amount of \$50,117 is being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 14, 1999, your Board approved Southern California Edison Company as the sole source provider to replace the transformers, cables and meters at the Nueva Maravilla housing development. As the Housing Authority's selected construction contractor began to trench for the electrical conduits that needed to be installed, it discovered several underground obstacles. Portions of the designs needed to be changed due to Southern California Edison Company requirements, and the project became cost prohibitive. This same project was put out to bid in 2005, but the bids received exceeded the funding available to complete the work. Consequently, the Housing Authority put this project on hold until sufficient funding was available and the construction market improved.

The Housing Authority now has the necessary funding to complete this work. The present system is owned and maintained by the Housing Authority. The electrical system was originally installed in the late 1930's and upgraded in the early 1970's. The electrical system has been prone to service outages and equipment failures. On September 7, 2010, your Board approved a construction contract with C A S General Contractor to complete electrical meter conversion from the existing master metered system to an individual unit metered system.

After the new electrical system is installed, the Housing Authority will only own and maintain the electrical lines from the electric meters into the buildings. Southern California Edison Company will own and maintain the transformers, underground cable and electrical lines up to and including the electric meters on the site. Consequently, after this new system is installed, the Housing Authority's utility expenses will decrease.

Southern California Edison Company, Carde Ten Architects and P2S Engineering consultants have prepared construction plans for the new system, which were reviewed and approved by the Community Development Commission's Construction Management Division. The Housing Authority now wishes to proceed with the improvements. Following the installation of the new system, buildings will be individually metered in the family units. Residents will then receive electric bills and make payments to Southern California Edison Company based on the electricity usage recorded

each month. The Housing Authority will also implement an electricity allowance, which will reduce each resident's monthly rent accordingly. The scope of work for Southern California Edison Company portion of the electric meter conversion project includes installation of transformers, underground cable and electric meters.

Southern California Edison Company does not execute contracts for this type of work, which they define as "service relocation". Instead, Southern California Edison Company will issue an invoice for the aforementioned upgrades, as it does for similar projects for the County. The Housing Authority's Risk Manager has reviewed Southern California Edison Company's certificate of insurance.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Southern California Edison Company will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The selection of Southern California Edison Company as a sole source provider to install transformers, electrical supply cables and meters has been approved by the Chief Executive Office. On March 23, 2011, the Housing Commission recommended approval of the proposed action.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15301 because it involves negligible or no expansion of an existing use and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The services performed by Southern California Edison Company will improve the energy conservation and maintenance of the Nueva Maravilla housing development, continue to provide the residents with decent, safe, and sanitary living conditions and provide cost savings to the Housing Authority.

The Honorable Board of Supervisors

4/19/2011

Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

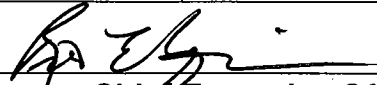
SEAN ROGAN

Executive Director

SR:mc

Enclosures

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
✓	<i>Identify applicable justification and provide documentation for each checked item.</i> ➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 4/4/11 Date </div> </div>	